



**INSURANCE FRAUD INVESTIGATION DIVISION**  
**Kentucky Department of Insurance**  
**909 Leawood Drive, P. O. Box 4050, Frankfort, KY 40604-4050**  
**Phone 502-564-1461 – FAX 502-564-1464**  
*Fraud Statistics/Convictions Activity*  
*April 2012*

<u><b>Fraud Statistics</b></u>	<u><b>Month/April</b></u>	<u><b>YTD</b></u>
Total Referrals Received.....	142	685
Closed Referrals.....	167	591
Open Cases (Investigations – includes prior years) .....		282
Assigned Cases (Investigations) .....	19	79
Closed Cases (Investigations) .....	2	28
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....	0	2
Charges (5 felony, 0 misdemeanor) .....	5	39
Convictions (4 felony, 0 misdemeanor).....	4	46
Restitution Ordered.....	\$ 587,517.75	722,006.85
Restitution Agreed.....	\$ 771,188.00	771,188.00
Restitution Total.....	\$ 1,358,705.75	1,493,194.85
Investigation Expenses to Division		
Awarded.....	\$ 0.00	16,219.79
Collected .....	\$ 380.62	1,855.79
DOI Fines.....	\$ 5,000.00	5,000.00
Administrative Subpoenas Issued .....	3	7
Non-Licensed Individuals .....	3	7
Licensed (active/inactive individuals) .....	0	0
Subpoenas Received .....	0	17

## **Convictions Activity**

**Jeff Lewis and Andrew Vail** – Beginning in 2008 and continuing through March 2009, Lewis conspired with Vail to defraud Nationwide Insurance Company. Lewis, a casualty claims adjuster for Nationwide, was responsible for ensuring the insurance company paid fair value on their claims. Vail, the owner of a general contracting company, routinely performed insurance repair work. Lewis used his position as a Nationwide employee to enrich himself by accepting gifts, payments and other things of value from Vail in exchange for steering Nationwide's repair work to Vail's company. Lewis would receive a percentage of the total due to Vail's company in exchange for the referral. Lewis pleaded guilty to conspiracy to defraud through kickbacks and concealment of material information. He was sentenced to probation for five years, assessed \$100, and ordered to pay restitution of \$281,096.13 to Nationwide. Vail pleaded guilty to charges of conspiracy to commit wire fraud and mail fraud. He was sentenced to five years' probation on each count to run concurrent, was assessed \$100 on each charge for a total of \$200, and was ordered to pay restitution in the amount of \$306,421.59 to Nationwide.